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I. F. Stone's Weekly

VOL. VIII, NO. 27 JULY 11, 1960 WASHINGTON, D. C. 15 CENTS

Botching the Cuban and Sugar Problems

Congress last week-end hurriedly passed a botched-up sugar quota bill few members understood, and set in motion a chain reaction that may end by ruining the last U.S. investments in Cuba. Under sudden pressure from a President who seems to have been spending most of his time playing golf since he reached Hawaii on his way home, Congress was forced into passing a piece of legislation involving complex questions of economics and foreign policy without committee hearings or adequate floor debate. Indeed most of the work on the bill was done by a corps of lobbyists representing rival sugar interests while a sleepy House and Senate waited to ratify the results. The Sugar Act of 1937 was a successful experiment by the New Deal in stabilizing the sugar market and wiping out such social evils as child labor in the beet fields. Its latest embodiment, the 4-year Sugar Act of 1948, expires at the end of this year but little had been done about its extension because of the unsettled Cuban situation.

Good Sense Ignored

Since a major aim of Castro's domestic policy is to end Cuba's dependence on a one-crop economy, it was clear that we would be getting less sugar from Cuba during the next four years even under the best of circumstances. The problem, sensibly considered, was to negotiate a revision downward of the Cuban quota, using the negotiations to save for American interests part of their sugar mill investments, and to arrange a payment plan for expropriated U.S. properties. Only by such an orderly negotiation could we hope to keep the sugar market stable and to make new firm commitments to domestic and other foreign sugar growers who can fill the gap of a declining Cuban output. Ellender of Louisiana pointed out that in any case 42 percent of the sugar now being produced in Cuba "is owned and controlled by Americans" so that we would be in danger of cutting off our nose to spite our face.

Confronted by the first real social revolution Latin America has had since the Mexicans overthrew Diaz, not only conservative but liberal members of Congress so completely lost their balance that the more dangerous consequences of what they were doing went unmentioned. The Charter of the Organization of American States, for example, forbids (Art. 16) the kind of economic warfare we are preparing to wage against Cuba. We have everything to lose by a conflict with the Castro regime. Mexico's seizure of our oil properties and Bolivia's of the tin mines, like Nasser's more recent expropriation of the Suez Canal, demonstrate that property rights can no longer be enforced by military means. We cannot march into Cuba as Russia marched into Hungary; the Russians had an army on the spot and a local political apparatus to do their bidding; we would have to make landings on a hostile coast against a united people, for the Cuban revolution unlike the Hungarian one was not imposed from above by a minority with alien military backing. But to be "soft on Castro" has become as dangerous a political sin as to be "soft on Communism"—even Charlie Porter of Oregon now runs with the pack. Allott of Colorado called Castro's regime "worse than Batista's" and Morse dismissed him as "a Communist tyrant," leaving little discernible difference between them and such anti-Castro fanatics as Dodd and Keating.

Nobody Soft on Castro

Mr. RIVERS (D.S.C.): We should reassert the Monroe Doctrine. We should threaten Castro with blockade. We should, if necessary, and, if conditions demand it, occupy Cuba. . . .

Mr. BOW (R. Ohio): Does not the gentleman feel it is inconceivable that today and yesterday we heard of American property being confiscated because they would not refine the crude oil from Communist Russia?

Mr. RIVERS: Think of such a thing. Think of what is happening—Castro's communism—both must be destroyed.

Mr. BOW: And we are not doing anything about it. Our State Dept. as of this date has not yet said what they are going to do.

Mr. RIVERS: Of course not.

Mr. BOW: And it is high time we tell them. . . .

Mr. RIVERS: The policy-makers are out of step with the people of America. American feeling has nobody to tell Castro how we feel. God save America. . . .

Mr. McCORMACK (D. Mass): There was no member of that Agriculture committee, Republican or Democrat, that was soft on Castro, was there?

Mr. QUIE (R. Minn): There was not one.

—House debate on sugar quota bill, June 30.

Not a single vote was cast against the proposition of letting the President use sugar for economic war. Only Meyer of Vermont interjected the hope at the end that we were not going to see a new Hungary in Cuba and the enlightened North Carolinian Cooley, chairman of House Agriculture, admitted the reluctance with which he was acquiescing in a plan to upset a 24-year relationship with Cuba during which it loyally kept to its side of the bargain even during the war "when", as he pointed out, "world market prices were substantially above our own domestic prices." A Congress blinded by anti-Communism seemed intent on pushing Castro further into the arms of the Soviet bloc.

The simple-minded way that members of Congress indulged in rhetoric about Communist slavery in Cuba contrasts with what may be found in the independent Left press here and abroad which agrees that the Cuban revolution is a peasant revolution of an indigenous type, maintaining many kinds of private property holdings. This is the view I understand that

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Unnoticed Hidden Sleeper May Carry Threat to Sane Nuclear Policy Group

Senate Liberals Move to Block Dodd-Keating Passport Bill

Liberal forces in the Senate are digging in to block the Dodd-Keating (S 2652) passport bill when the session resumes after the conventions, but they will need help and a note to your Senators would be wise. Both the *New York Times* and the *Washington Post* have come out against the bill, but there is a dangerous undercurrent among Democrats on Capitol Hill to "demonstrate that we're not soft on Communism."

Senators Morse and Clark both entered objections as soon as the bill was reported from the Judiciary Committee June 30, and this will keep it from slipping through on the consent calendar. On July 1, Senator Fulbright served notice that if the bill came up he would move for its referral to the Foreign Relations Committee. Under the rules of the Senate, passport legislation is under the jurisdiction of Foreign Relations, and Fulbright warned Senator Eastland last September 12 in a letter he read to the Senate July 1 that the Dodd-Keating bill was properly in the domain of Foreign Relations.

A Product of Internal Security Committee

It is clear that Dodd used his position as vice chairman of the Internal Security subcommittee of Judiciary to ram through without hearings a bill which was not properly within the jurisdiction of his committee.

The Dodd-Keating bill is much more restrictive than HR 9069 which the House passed last September. The House bill would bar travel to members and supporters of the Communist party since 1951; the Dodd-Keating bill adds a section allowing earlier past activity to be taken into account. The House bill says no passport may be denied or revoked "except after opportunity for a hearing," and it was declared on the floor during debate on passage that this meant a real hearing with the right to cross-examine hostile witnesses. The Dodd-Keating bill permits the use of confidential information. The House bill requires an annual declaration by the President, "stating specifically and in detail the reasons", for shutting off any area like Communist China from travel. The Dodd-Keating bill puts this power in the hands of the Secretary of State, imposes no time limit and requires no statement of reasons.

In addition the Dodd-Keating bill is an omnibus measure, a grab-bag of pet reactionary projects. It would among other things amend the Smith Act to expand the crime of "organizing" and the Foreign Agents Registration Act to change the meaning of the term "foreign principal." The purpose of this is explained in the Senate report (No. 1811, p. 3) which says, "The Department of Justice has informed the Congress that experience in the administration of the Foreign Agents Registration Act shows a need for the inclusion within the term "foreign principal' of domestic organizations which, while perhaps not subsidized by a foreign government or political party, are substantially controlled, directed or financed by a foreign government or foreign political party. Proof of such control, direction, or financing often is available where proof of 'subsidy' is difficult or impossible."

Proof by Parallelism

This would open the door to proving that a domestic organization was foreign "directed" by showing that its policies "paralleled" those of a foreign government or political party. Organizations so held would be required for mailing purposes to label their material "foreign political propaganda" and themselves as a "foreign agent." This would destroy them overnight. Dodd's recent attacks on the National Committee for A Sane Nuclear Policy indicate the use he might make of such a provision if he could get away with it. This "sleeper" in the Dodd-Keating bill has so far escaped newspaper attention.

In this connection it would be well to consider the way the Republicans, led by Wiley, counter-attacked Fulbright on July 1 for his criticisms of Mr. Eisenhower in the U-2 affair. This counter-attack was orchestrated from the White House and bore the stamp of Hagerty's tactics, which is to apply the Red smear. For a Senator to say of another, as Wiley did of Fulbright, that "the biggest noise and greatest effort to pin blame on U.S. policy appears to be coming—second only to Moscow—from the Chairman of the Senate Foreign Relations Committee" recalled McCarthy's tactics. This is no time for legislation which would put new weapons in the hands of the unscrupulous and the paranoid.

Editing Mr. K's Nazi Death Camp Speech to Spare Adenauer's Feelings

A visit to a Nazi concentration camp is calculated to make anyone apprehensive about a revival of Nazism. In this respect Premier Khrushchov's speech at the Matthausen camp in Austria, where 122,167 persons were exterminated, was hardly surprising. But the New York Times cabled account July 4 showed signs of hasty editing in the office to spare Dr. Adenauer's feelings. Although Mr. Khrushchov used the visit to warn against the dangers of a Fascist revival in Germany, the New York Times put an editorialized lead on its cable, saying that he had used his visit "to emphasize the determination of the Soviet Union to have its way ultimately in Germany."

The New York Times omitted the appeal that the Soviet Premier made for peace. "A new world war," he said (Associated Press dispatch, Philadelphia Inquirer, July 4), "must never be permitted to happen. We have a common cause in the fight against the rebirth of Fascism and the fight for the preservation of peace on our planet." The New York Times own account said Mr. Khrushchov "seemed moved almost to tears by his visit to the infamous camp." The Inquirer account added that among the wreaths left by Mr. Khrushchov was one for a Soviet Lt. Gen. Karnichev. "On a freezing winter night during the war," the AP reported, "the Nazis sloshed buckets of cold water on Karnichev until he froze into a solid block of ice."

The Soviet Premier, said the AP story, "denounced Adenauer for saying, 'God has chosen the German people to save Europe from Communism.' Such a remark Khrushchov suggested sounds like several statements by madman Hitler, who tried to create a 'new order in Europe' of which this death camp is the symbol." The New York Times inserted in its account an explanation of this revealing remark Adenauer made last January 22 to the Pope. "Dr. Adenauer said later," the New York Times explained, "he did not mean West Germany was a force against the East but, geographically speaking, had the duty of facing East."

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AEC Seems to Act Like A World Cartel to Maintain Prices of the Destructive Stuff

A Glimpse of the Uranium Business and Our H-Bomb Stockpile

No attention has been paid by the press to a report recently released by the General Accounting Office on the contracts between the AEC and Anaconda Copper for the purchase of uranium concentrates. Anaconda is our largest single producer, and the report shows the easy-going methods used by the AEC in negotiating with it.

The GAO report says a revised contract for deliveries to the end of 1966 was tentatively entered into without evaluating Anaconda's cost data. When the GAO investigated and informed the AEC that Anaconda earnings per ton were running in excess of those estimated, a new price was negotiated which will save the government about $6,000,000.

Basic Profit Estimate Still A Mystery

The report also discloses (1) that the GAO has been unable to find out how the AEC arrived at its basic estimate that earnings of $4 a ton were reasonable in uranium contracts, (2) that these contracts represent a risk-free operation, the price even including an allowance per pound for amortization of facilities, (3) that the AEC pioneered both the exploration for new ore and development of the most efficient means for processing it. Private enterprise took over on a featherbed basis. Prices have fallen from $15 a pound in 1951 to $8 in this new contract but still lag behind the fall in costs due to improved techniques.

A reduction in the price of uranium would cut the cost of atomic power but an item in *Nucleonics Week* (June 30) indicates that the AEC seems to be more interested in maintaining prices. This authoritative McGraw Hill publication for nuclear developments reported:

Cheaper Uranium Rejected

"The U.S. has recently rejected a Belgian offer to sell uranium concentrate—some 2,000,000 pounds—at 'half the price' the U.S. is paying for Canadian concentrates. [About $8.75 a pound as against $8 per pound U.S.—IFS.] Belgian government officials said the offer had been made '4-5' times in the past two years. Belgium has since sold 200,000 lbs. of the U308 uranium concentrate to India."

According to *Nucleonics*, the U.S. turned down the Belgium offer on the ground that "oversupply in the domestic U industry made it impossible for the U.S. to accept the offer." When India agreed to take 200,000 pounds "the U.S. stepped in to ask that the sale be postponed until it could be carried out under proposed fuel material safeguards of the International Atomic Energy Agency." The Belgians and Indians refused to delay the sale on the ground that the safeguards had not yet been adopted. This sounds like the tactics of a cartel, anxious to hold up the world price.

The Super-Bomb A Bonanza

Should agreement be reached to end nuclear weapons production, the bottom would fall out of the uranium market. The development of the "super-bomb", which uses large quantities of uranium, has been a bonanza for the industry. Purchase of uranium concentrates rose from 2,900 tons in fiscal 1953 to 33,326 tons in fiscal 1959. The AEC's procurement of raw materials, the production from them of nuclear materials, and the development and fabrication of weapons from these materials has tripled during the same period—from $657,000,000 in fiscal 1953 to $1,905,000,000 in fiscal 1959.

There are reasons to believe that our stockpile of super bombs has risen beyond any conceivable military use but there seems to be no way to shut off production. At the Annual Conference of the American Association for the United Nations March 6-7, Leo Goodman, atomic energy adviser of the United Auto Workers, estimated that the AEC "has now produced a minimum of 6,250 H bombs with an explosive force of 96,000 megatons or 45 million times the force that it took to destroy Hiroshima." Dr. David Inglis, the Argonne laboratory physicist, who was present, commented, "I think you are 30 percent low."

"Pre-Emptive War" Doctrines Seen Heightening Danger of Accidental War

A new area in which fruitful international negotiation may be possible is in that of preventing accidental war. This is suggested in a study of accidental war made public (but given little attention) July 4 by a group at Ohio State University directed by John B. Phelps. The nine scholars who participated came to the conclusion that "there is a significant chance that a major accidental war may occur at some time in the 1960's" and believe "a variety of small but collectively very significant safeguards against accidental war might be more susceptible of negotiation at this time than, say, a nuclear test ban."

They suggest a special study "of the possibility of providing very fast and reliable communication between top national leaders on each side to help head off any crisis before it leads to disaster." They disclose that during the Suez crisis in 1956 intelligence reports of Soviet troop movements and unusual air activity over Turkey led the President to rush back from Gettysburg for a meeting with top security advisers. "Fortunately it was soon learned," the Ohio State study says, "that the Soviet movements were not direct threats in the Middle Eastern situation, and U.S. forces were only partially alerted. But if the unusual activity had not been identified and U.S. forces had been fully alerted, a Russian alert would probably have followed, further increasing the danger of the situation."

Just such situations illustrate the danger of "pre-emptive" war doctrines. As the Ohio State study says, "The danger at this point is enormously heightened by any pressure to launch a pre-emptive attack." The Ohio study concludes that one way to avoid accidental war is "to stress exclusively, in word and deed, a second strike capability" i.e. that the U.S. will never strike first. The idea of striking first, however, is being propagated in official circles by the military and such Rand (Air Force) Corporation thinkers as Herman Kahn. The Ohio study concludes from a study of past accidents that they tend to provoke war when both sides are poised and ready "or when either side needs only an excuse for war."

The Ohio Study Group sent letters of inquiry to members of the Congressional committees on foreign relations and armed services, those who served on the Gaither panel and the panel for the Rockefeller Brothers military report, and a small number of other selected persons. "Of those who did rank the accidents in order of seriousness," the report says, "the majority ranked the spread of limited war as the most serious danger." The report also concludes that "the diffusion of nuclear power" will increase the chances of accidental war.

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No One Questioned The Wisdom of The Oil Company Showdown with Castro

(Continued from Page One)

Paul Sweezy and Leo Huberman brought back and will expound in a forthcoming issue of their *Monthly Review*. It may also be found in the warmly appreciative portrait Simone de Beauvoir painted of Fidel in the April 7 issue of *France-Observateur*. Even in that pillar of anti-Communism, *The New Leader*, one finds a picture of Castro's Cuba quite different from the vapid nonsense in Congress.

Anti Communists Friendly to Castro

I would call attention to three recent articles in *The New Leader*—by Harry Schwartz (March 14), by Robert J. Alexander (March 21) and by Theodore Draper (July 4-11). Mr. Schwartz, the Soviet expert of *The New York Times*, pleaded for the U.S. to "break out of its present bonds of resentments and legalistic fetishes and try to formulate an imaginative policy" which would include the fixing of sugar quotas by bilateral negotiation as the Cubans have long demanded. Prof. Alexander, a leading anti-Communist expert on Latin America also argued against a policy of economic reprisals, and defended the Cuban oil deal with Mikoyan. "Newspapers which state that Cubans have fallen into a trap in this agreement," Prof. Alexander wrote, "are mistaken." He said that the U.S. has been buying 3 million tons of sugar a year from Cuba, leaving it with 2 and a half billion tons to be peddled elsewhere. The Russian agreement to take a million tons a year for the next five years will therefore, he wrote, give the Cubans "assured markets for almost 80 percent of their output, instead of the previous 60 percent." Prof. Alexander said "Castro and his rebels have caught the imagination of the humble people who, in many countries, wish they could destroy their own military cliques as Castro destroyed Cuba's" and initiate "similar land reforms." Mr. Draper, an authority on the history of the Communist movement, reported that the Castro group and the Communists "have fallen out in the past and it cannot be ruled out that they may fall out again in the future." He said the revolution "cannot be dismissed merely as a diabolical aberration because it does not live up to our expectations" and depicted it as "a new type of system that is neither capitalist nor socialist, but contains elements of both, and emerges where capitalism has not succeeded and socialism cannot succeed."

Congressional discussion took for granted that the event which precipitated its panicky action on sugar was justified. No one questioned the refusal of U.S. and British oil companies to refine Soviet crude oil which Cuba is getting at 80 cents a barrel cheaper than Venezuelan crude. The oil companies in Cuba are subject to its laws. It is hard to see any legal ground for this refusal. Cuba consumes about 3 1/2 million tons of petroleum a year, and each of the three oil companies there has a capacity of about 4 1/2 million tons annually. Each was asked to refine 300,000 tons of Russian oil a year, or about one-quarter of the island's requirements (London *Economist*, July 2). This would still leave the companies with the refining and distribution business, the major share of the crude, and goodwill for a future in which rising living standards will surely increase Cuban consumption of oil. In arrogantly preferring to provoke their own expropriation, they have created a situation for which the rest of us will pay. *Noon, July 6*

The Peasant Before and After Castro

"For less than 50 cents a week—provided you are a bona fide Cuban proletarian or peasant—you can now lead the revolutionary high life in the lounges and card parlors of the one-time sanctum of Havana's upper crust, the Havana Biltmore Yacht and Country Club. . . .

"Incredible enough in an island as narrow as Cuba, many of the campesinos [peasants] who today enjoy the ocean had never seen it before the Revolution. . . . Families felt cut off from civilization. A man might have to go three miles for water (from a neighbor's well), 40 miles for a doctor and 10 miles to bury the dead. He had no radio and no daily newspapers. There were no schools and no church, and the priest came through just once a year, to baptize infants at $3 per. . . . The government did nothing but harass you with soldiers, rural guards and taxes. Soldiers and police everywhere, which no one needed, and not a teacher to be found."

—Thomas Wolfe, in the Washington Post, July 3, the one sympathetic installment of a seven part series otherwise treating Castro as a tool of the Communists.

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NEWSPAPER

Second class postage paid at Washington, D. C.

I. F. Stone's Weekly. Entered as Second Class Matter at Washington, D. C., under the Act of March 3, 1879. Post-dated Mondays but published every Thursday except the last two Thursdays of August and December at 5618 Nebraska Ave., N. W., Washington 15, D. C. An independent weekly published and edited by I. F. Stone; Circulation Manager, Esther M. Stone. Subscription: $5 in the U. S.; $6 in Canada; $10 elsewhere. Air Mail rates: $15 to Europe; $20 to Israel, Asia and Africa.

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